



## **STAFF REPORT**

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### **Resolution in Opposition to Proposition 68 (Gaming Revenue Act)**

Honorable Mayor and Council Members

#### **Summary**

On July 27, Council provide direction to staff to prepare a resolution opposing Proposition 68, the Gaming Revenue Act, on the November ballot. Staff recommends Council approve the attached resolution in opposition to Proposition 68.

#### **Background and Discussion**

A coalition of gaming interests has placed a measure on the November ballot titled the Gaming Revenue Act. Among other things, it requires tribes to renegotiate compacts with the Governor to provide 25% of their winnings to trust fund of the State. If they don't within 90 days, five existing rack tracks and eleven existing card rooms will have the right to operate up to 30,000 gaming devices (slot machines). This could lead to up to 3,800 gaming devices at Bay Meadows in San Mateo. Attachment B is a draft of the summary from the Legislative Analyst.

On July 19, the City of San Mateo passed a resolution opposing Prop 68. Despite the potential revenue from the measure, the city had concerns about the impacts of gaming on the community. The staff report also noted "the loss of local control in decision making is the fundamental concern" with the measure.

There is a long list of opponents to Prop 68 (see Attachment C), including the California Police Chiefs Association, the California State Firefighters Association and the California District Attorney's Association. The League of California Cities' Revenue and Taxation Committee and Public Safety Committee have both taken positions of opposition.

On July 27, Mayor Metropulos put a "Number 9" on the Council agenda asking for consideration of a resolution opposing Prop 68. Concern was raised about "spillover" affects of gaming in San Mateo. The City Council concurred and the proposed resolution is attached for Council's consideration.

**Fiscal Impact**

No fiscal impact to this report. It is possible that the City could face some additional costs should Prop. 68 pass and gaming devices were installed at Bay Meadows and spillover impacts affected services in Belmont.

**Recommendation**

Council adopt the attached resolution opposing Proposition 68.

**Alternatives**

1. Take a “support” position on Prop. 68
2. Take no position on Prop. 68.

**Attachments**

- A. Resolution opposing Prop 68
- B. Summary of Prop 68
- C. Prop 68 list of opponents

Respectfully submitted,

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Assistant City Manager